GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3073
ANSWERED ON:16.03.2001
DUMPING OF TELECOM SWITCHING EQUIPMENTS
SURESH RAMRAO JADHAV (PATIL)

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government are aware of the large scale dumping of telecom switching equipments in India by multi-national companies from France, Germany, Sweden, USA etc., through their subsidiaries in India;

(b) if so, whether the Government propose to impose anti-dumping duty on such imports and conduct an immediate enquiry into the same;

(c) if not, the reasons therefor; and

(d) the action taken by the Government to protect the indigenous manufacturing companies?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH)

(a) : No, Sir.

(b) : Does not arise.

(c) : The Directorate General of Anti-Dumping & Allied Duties conducts investigation under Sections 9 A, 9 B and 9 C of the Customs Tariff Act of 1975 as amended in 1995, on the basis of fully documented petitions or suo-moto, if it is satisfied with the information received from the Collector of Customs appointed under the Customs Act, 1962 or from any other source that sufficient evidence exists regarding dumping of the foreign goods, material injury to the domestic industry and causal link between the two. In the case of import of telecom switching equipments in India by multi-national companies from France, Germany, Sweden, USA etc., no specific information or fully documented petition has been received from the domestic industry indicating any dumping or injury to the domestic producers and therefore, no investigations have been initiated as on date.

(d) The following incentives are given by the Government to protect the manufacturers of telecom equipment:

1. No industrial license is required for the manufacture of telecom equipment.

2. 100% Foreign Direct Investment (FDI) is permitted in the telecom equipmentmanufacturing sector on automatic basis through Reserve Bank of India.

3. The dividend income and the capital invested is fully repatriable.

4. Technical know-how fee of up to US $ 2 million, net of taxes can be paid on an automatic basis. In addition, royalties up to 5% on domestic sales and 8% on export sales are also permitted.

Further, in the Budget 2001-02, Custom duty on finished telecom equipment has been rationalised at 15% and also Custom duty on some of the inputs required for the manufacture of such equipment has been reduced.